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**STATE FILES PETITION TO ADMINISTER
WHELAND'S WORKERS' COMPENSATION BONDS**

NASHVILLE--Tennessee Department of Commerce and Insurance today through the Attorney General's office filed a petition in Hamilton County Chancery Court to establish an administrative process to distribute the Wheland companies' workers' compensation bonds after the company filed for bankruptcy on November 7, 2001.

Last month, the Department filed an emergency motion with Judge Stinnett asking that the automatic stay on the bonds be removed. Bankruptcy Judge Thomas Stinnett ordered the stay removed, and directed that any bond proceeds be administered in Hamilton County Chancery Court.

"We are working closely with the Attorney General's office to expedite the legal process to direct any available funds to claimants," said Anne Pope, Commissioner for Commerce and Insurance. "More information will be available after the Chancery Court approves a distribution process. Until then, individuals with questions regarding workers' compensation claims on Wheland can call the Tennessee Insurance Division's Self-Insurance Workers' Compensation Section at 615-741-1756."

The Department's petition asks the Chancery Court to secure any funds from bond companies and to establish a process determining how claims will be paid out to workers' compensation claimants. The state filing comes after Judge Stinnett removed his court's automatic stay on the bonds Friday, January 11.

The Department's Insurance Division requires self-insuring employers to post surety bonds with the state to guarantee the payment of a company's workers' compensation claims in the event that a company cannot pay. Wheland Automotive Industries, a subsidiary of North American Royalties, Inc., and the rest of the Wheland company affiliates began self-insuring their workers' compensation claims in 1969, and continued to self-insure its claims until November 2001.

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